

FINANCING

Interim Closing vs. Final Closing

- Condominiums have a two-stage closing process - Interim Closing and Final Closing
- Typically, suites on the lower half of the community will first Interim Close on their Occupancy Date, and then Final Close at a later date
- Suites in the upper half of the community will often have a direct or “straight” Final Closing on their Occupancy Date

Interim Closing

- At Interim Closing, homeowners are required to pay a monthly Occupancy Fee based on the estimated realty taxes, maintenance fees and interest on the unpaid balance of their home, until Final Closing

What's due at Interim Closing?

- Stub Amount - Stub Period
 - Paid by certified cheque
- First full month of occupancy fees and any partial month of Occupancy Fees (if closed in mid-month)
 - 6 - 9 post-dated cheques for Occupancy Fees
 - Interest on Outstanding Deposit
 - Maintenance Fees calculated in first year
 - Approximate property taxes
- Any deposits that are due at Final Closing
 - E.g. 5% due at Occupancy

Final Closing

- Final Closing is the process through which you will receive Title to your home
- Following the registration of a condominium, it typically takes our lawyers approximately two weeks to generate the balance of the formal documents for Final Closing that would officially transfer title
- This will allow approximately two weeks for you to coordinate your mortgage or other financing needed to receive full title to your suite at the time of Final Closing

What's due at Final Closing?

- Total amount owing for suite, less deposits paid
- Any adjustments (e.g. Levies, meter installation fees, Tarion enrollment fee)
- It can be paid in cash or through financing
 - Does the total amount we receive equal what is outstanding?
 - Example: Paid 20% to purchase, on paper you will mortgage 80% or you are going to mortgage 50% and the rest from personal account, as long as it equals the outstanding amount

- Within 30 of purchasing, you will need to provide us with a pre-approval from a chartered bank (commitment from a chartered bank)
- Some banks (eg. BMO, Scotiabank) provide commitment for multi-year mortgage
 - This is ideal, in case your closing gets delayed, your bank will extend their mortgage commitment
- If you are not getting financing, you will need to provide us a net worth statement instead of a mortgage commitment, to confirm that you have the assets to cover the value of the purchase

HST Rebate

- Taxes are included in the purchase price and we collect the HST rebate on your behalf (deducted from your purchase price)
- Eligible only if the suite is owner-occupied
 - Investors will have to pay HST cost at closing
- We are required under Canada Revenue Agency to charge HST
- Certain homes are not eligible for the rebate; the more expensive the home, the smaller the HST rebate
- Learn more about the HST Rebate on the Government of Canada website [here](#)

New Residential Rental Property Rebate

- You may be eligible for the GST/HST new residential rental property rebate if you are a landlord who purchased a newly constructed condo or if you substantially renovated a residential rental property
- The Government of Canada outlines eligibility criteria:
 - If you paid the GST/HST on the purchase of a newly constructed or substantially renovated residential complex or an interest in the complex and you lease the complex or units in the complex to another person for residential use by an individual
- You can find out more information about this Rebate on the Canada Revenue Agency website [here](#)

Land Transfer Tax Refund for First-Time Homebuyers

- When you buy land or an interest in land in Ontario, you pay land transfer tax
- First-time homebuyers may be eligible for a refund of all or part of the tax
- You may claim an immediate refund at time of registration as follows:
 - If registering electronically, by completing the required statements under the Explanation tab of the electronic land transfer tax affidavit, or
 - If registering by paper, by filing an Ontario Land Transfer Tax Refund Affidavit For First-Time Purchasers of Eligible Homes form at the Land Registry Office
- This refund can be organized through your lawyer
- You can find out more information about this Refund on the Ontario Ministry of Finance website [here](#)